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International Brotherhood of Electrical Workers Local Union 1245

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:	)	CASE NO.: 19-30088
)	
PG&E CORPORATION and PACIFIC GAS &)	
ELECTRIC COMPANY	)	Chapter 11
)	
Debtors	)	(Lead Case)
)	
	)	(JOINTLY ADMINISTERED)
)	
_____ Affects PG&E Corporation	)	INTERNATIONAL
_____ Affects Pacific Gas and Electric Company	)	BROTHERHOOD OF
<u> X </u> Affects both Debtors	)	ELECTRICAL WORKERS, LOCAL
	)	UNION NO. 1245'S JOINDER TO
	)	JOINT MOTION OF THE
	)	OFFICIAL COMMITTEE OF
	)	TORT CLAIMANTS AND AD HOC
	)	COMMITTEE OF SENIOR
	)	UNSECURED NOTEHOLDERS TO

) **TERMINATE THE DEBTORS’**
) **EXCLUSIVE PERIODS PURSUANT**
) **TO SECTION 1121(d)(1) OF THE**
) **BANKRUPTCY CODE**

)
)
)
) Date: October 7, 2019
) Time: 1:30 PM
) Place: Courtroom 17, U.S. Bankruptcy
) Court, 16th Floor, 450 Golden Gate
Avenue, San Francisco, California

The International Brotherhood of Electrical Workers Local Union 1245 (“IBEW”) files this *Joinder* to the *Joint Motion of the Official Committee of Tort Claimants and Ad Hoc Committee of Senior Unsecured Noteholders to Terminate the Debtors’ Exclusive Periods Pursuant to Section 1121(d)(1) of the Bankruptcy Code* (“Motion”) (Dkt. 3940). IBEW joins in the Motion and adds the following:

I. Introduction

The IBEW is a labor organization affiliated with the American Federal of Labor – Congress of Industrial Organizations. The IBEW represents approximately 20,000 gas and utility employees, including thousands of employees of Pacific Gas & Electric Company (“PG&E”), throughout California. IBEW members are responsible for building, maintaining, repairing, and operating PG&E’s natural gas and electric transmission and distribution systems and are therefore critical to PG&E’s ability to supply gas and electricity to approximately 16 million California residents.

II. Joinder and Statement

The IBEW continues to support plan competition and a termination of exclusivity in these cases. On July 16, 2019, the IBEW joined the prior request by the Ad Hoc Committee of Senior Unsecured Noteholders (“Noteholders”) to terminate exclusivity. (Dkt. No. 3012). At the time, the IBEW supported termination of exclusivity primarily out of its concern that PG&E did not appear capable of taking full advantage of the extraordinary legislative efforts that culminated in Assembly Bill 1054.¹ As the Court is well-aware, that legislation created a going-forward wildfire fund that is

¹ The text of AB 1054 may be accessed at the following link:
http://leginfo.legislature.ca.gov/faces/billPdf.xhtml?bill_id=201920200AB1054&version=20190AB105495CHP

1 intended to stabilize California’s electric utilities and provide relief to future fire victims and
2 ratepayers.² For PG&E to participate in this fund, these Bankruptcy Cases “must be resolved
3 pursuant to a plan or similar document not subject to a stay,” the Court must determine that there is
4 funding to pay pre-petition wildfire claims, and the California Public Utilities Commission
5 (“CPUC”) must approve the reorganization plan and various other matters, all by June 30, 2020.³
6 This extremely tight deadline would be difficult to satisfy under the best of conditions. These are
7 not the best of conditions. In the fleeting months since AB 1054 was enacted, PG&E has made too
8 little progress—the lion’s share of which has come only as a result of pressure exerted upon PG&E
9 by other concerned stakeholders—in developing a viable and potentially-confirmable plan of
10 reorganization. Now, with just nine months to go, the IBEW is more convinced than ever that
11 PG&E will be unable to meet the statute’s tight deadlines if exclusivity is maintained.

12 While not perfect, the Noteholder plan proposal, now joined by the Official Committee of
13 Tort Claimants (“TCC”), provides an alternative, potentially-confirmable path to a timely exit from
14 bankruptcy for PG&E, its fire victims, employees, creditors, and other stakeholders. As amended,
15 the Noteholder and TCC plan proposal also incorporates the fundamental attributes of PG&E’s
16 settlement with the subrogation claim group. *See* Dkt. No. 4006. In short, the Noteholder and TCC
17 plan proposal presents a strong chance for achieving a confirmed plan and a quick resolution of these
18 Bankruptcy Cases within the timeframes contemplated by AB 1054. Moreover, the prospect of
19 competing plans and the progress already made toward resolving the fire victims’ claims further
20 incentivizes all the parties involved in these cases to negotiate a potential consensual resolution of
21 their many disputes.

22 By contrast, preserving PG&E’s exclusivity and freezing out the Noteholders’ potential
23 investment in a reorganized PG&E further aggravates the uncertainty in these cases. PG&E’s
24 proposed plan process depends on uncertain estimation outcomes to be determined in at least three
25 different forums. Those results could lead to estimated claims that vastly exceed PG&E’s available
26 equity investment, that require PG&E to rely more heavily on secured and unsecured debt, and that
27

28 ² CAL. PUB. UTIL. CODE § 3291.

³ *Id.* § 3292(b).

1 impact PG&E's balance sheet so unfavorably that both the feasibility of PG&E's plan and a
2 favorable assessment of that plan by the CPUC are placed into doubt. In other words, PG&E's
3 proposed process creates a scenario in which June 30, 2020 arrives and PG&E still faces significant
4 funding problems with has no obvious means for either resolving the fire-victim claims or exiting
5 bankruptcy.

6 In conclusion, although the IBEW does not oppose PG&E's continuing to pursue its plan, the
7 IBEW sees significant value in the Noteholder and TCC plan proposal, particularly in its promise of
8 a possible consensual resolution of the claims of tort victims without resort to unnecessary and
9 wasteful litigation. On the contrary, the IBEW sees no value whatsoever—especially given the time
10 constraints described above—in freezing out from the plan process parties presenting viable and
11 potentially better options for a healthy exit from bankruptcy.

12 For the reasons set forth above and in the Motion, the IBEW joins in the TCC and
13 Noteholders' request for an order terminating the Debtors' Exclusive Periods in order to permit these
14 parties to file and solicit acceptances of a plan of reorganization.

15 Dated: October 1, 2019

Respectfully submitted,

LOCKE LORD LLP

18 By: /s/ Bradley C. Knapp

19 Bradley C. Knapp

W. Steven Bryant

20 Meagan S. Tom

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21 *International Brotherhood of Electrical Workers Local Union 1245*